

Appendix G (July 1999)

PURCHASING SYSTEM REQUIREMENTS

This Appendix, implementing Clause I.85, "Contractor Purchasing System," sets forth DOE approval requirements applicable to the Purchasing System established under the Contract for the management of Thomas Jefferson National Accelerator Facility.

Subcontracts Not Binding on DOE

As used herein, the term "subcontracts" includes subcontracts, purchase orders, letter agreements, basic ordering agreements, consultant agreements, micro-purchases, electronic mail, EDI and FACNET transactions, and lower tier subcontracts under cost-type subcontracts (in an unbroken cost-type chain) that represent costs properly chargeable to the Prime Contract.

All applicable subcontracts shall: (1) be made in the name of the Southeastern Universities Research Association, Inc. (SURA), (2) shall not bind or purport to bind the Government, (3) shall not relieve the SURA of any obligation under this Contract (including, among other things, the obligation to properly supervise and coordinate the work of subcontractors), and (4) shall contain such provisions as are required by this Contract, applicable statutes/regulations, or DoE Orders defined in Appendix E.

Advance Approval

Prior advance approval by the Contracting Officer is required for the following:

1. Firm-fixed-price subcontractors over \$1,500,000, competitively awarded to the low bidder or offeror;
2. Firm-fixed-price subcontract actions (excluding funding modifications) over \$350,000, awarded to other than low bidder or offeror, or awarded noncompetitively;
3. Cost-type, time and materials and labor hour subcontracts over \$350,000;
4. Consultant agreements with a daily rate exceeding \$800, exclusive of travel costs;
5. Subcontracts from sources affiliated with SURA; e.g., member universities over \$100,000;
6. All subcontracts for lease-to-own arrangements;
7. All subcontracts when the acquisition method selected, lease or purchase, is not the lower cost method based on a lease/purchase cost analysis;
8. Any award to firms or individuals listed on the General Services Administration (GSA) Consolidated List of Debarred, Suspended, and Ineligible Contractors;
9. Any subcontract where a waiver of cost or pricing data is required in accordance with FAR 15.804-3 (reference Contract Clause I.12, Subcontractor Cost or Pricing Data); and
10. Any subcontract to a firm or affiliate under which it is responsible for both architect-engineer and construction services; and

- 1 Acquisition of real property by means as defined in Clause I.65,
Acquisition of Real Property.

Advance Notification

Advance Notification to the Contracting Officer is required for all noncompetitive subcontract actions over \$100,000 (new subcontracts, modifications, and exercise of options).

The Advance Notification shall be submitted as reasonably in advance of the award as possible. SURA should allow five working days advance notice unless individual situations dictate otherwise, in which case consultation with DOE is appropriate. DOE will give a response only where a concern is raised, where DOE requires additional time for review, or where additional information is necessary. The Advance Notification shall include as a minimum the following information:

1. A description of the supplies or services to be subcontracted and the intended use of the supplies or services;
2. identification of the proposed subcontractor, subcontract number, and an explanation of why and how the proposed subcontractor was selected;
3. The proposed subcontract price;
4. A copy of the sole source justification, if applicable; and,
5. Small business status; e.g., small business, large business, etc.

Quarterly Reporting Requirements (Post Award):

1. All consultant agreements (Provide the following information: daily rate, number of days, total dollar amount, and the name of the buyer).
2. All cost type, time and materials and labor hour subcontracts between \$100,000 and \$350,000 (Provide the following information: type of subcontract, basis for award, and the name of the buyer).
3. All awards over \$10,000,000 (Provide the following information: subcontract type, total dollar amount, receipt date for EEO compliance check, and the name of buyer).

In determining whether one of the particular dollar thresholds specified above applies to an individual procurement, the following shall apply:

1. All options, whether expressed in terms of quantity or period of performance, shall be included in the dollar amount;
2. Each modification to a contract stands on its own with respect to the dollar thresholds, regardless of the original value of the contract;
3. The absolute value of each modification controls as opposed to the net value; e.g., if the modification increases the value by \$150,000 for one aspect of the work and reduces the value by \$50,000 for another aspect of the work, the value of the modification, for the purpose of determining procurement authority, is \$200,000; and,
4. If a non-responsive bid or offer is received and rejected and the amount of the bid or offer is lower than the selected bid or offer, this procurement

action would require approval (if over \$350,000) in accordance with paragraph 2. above under Advance Approval.

There will continue to be some procurement actions within SURA's delegated authority which DOE may request be submitted for approval due to: (1) the special nature or complexity of the procurement; or, (2) DOE's continued surveillance of the procurement system. To accomplish this, DOE will try to identify these at the beginning of each fiscal year, to the extent possible.

The above stated levels for approval and advance notification will continue to be reviewed by DOE at least on an annual basis to determine the appropriate level consistent with SURA's subcontracting performance, the level of subcontracting activity, and the needs of the project.

Pursuant to paragraph (g) Clause I.85, Buy American Act, the Contractor is authorized to make determinations of non-availability for individual items valued at \$100,000 or less. This authorization is subject to the requirement that SURA properly document the file with the basis for such determination.

Laboratory Procurement Policies and Procedures

All additions to, modifications or deletions of, Laboratory Procurement Policies and Procedures that result in substantive changes thereto shall be submitted to DOE for approval prior to implementation.

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